

EXHIBIT 4

The new \$1.15 billion... and more

The government must end its fiscal year this June 30 with an available \$1.15 billion and such was reported in our edition yesterday
June 15, 2017



Photo: Carlos Rivera Giusti/EL VOCERO

It is difficult for any citizen, and even more for media such as ours, to understand why governments do not recognize that transparency is a fundamental principle in public administration.

Yesterday, EL VOCERO summarized again another case of a lack of transparency, this time from the current government. As a result of a judicial lawsuit, it was obligated to deliver documents relating to the country's fiscal situation, among which was one from the Treasury Department that details the state of cash accounts on May 26 of this year.

According to the document, the government must end the fiscal year this June 30 with an available \$1.15 billion, as reported in our edition yesterday. However, we report today that this figure, deposited into banks on the island, is elevated to \$1.545 billion, given that during further review of the document we found an additional \$395 million called "contingency".

In a press conference yesterday, the attorney Elías Sánchez, government representative before the Federal Bureau of Fiscal Oversight, tried to convince the country that the information published by us is not correct. This is despite the fact that 24 hours beforehand, we had asked government spokespersons to explain the information included in the Treasury's document. A request that remained unanswered.

Nevertheless, the actual figures presented by attorney Sánchez, summarized in our edition today, amount to the same as reported by us two days ago.

In the report that we published, at no point did we mention that there has been "economic growth or that the economic situation of the government has dramatically improved". We limited ourselves simply to presenting the same information included in a governmental document.

It satisfies us greatly that the efforts of fiscal discipline and the efforts to amass additional funds to face adverse situations in the next fiscal year have generated a positive cash flow of \$1.15 billion dollars; and we recognize the government for this achievement.

What we cannot accept is that public information is not shared unless the government is judicially obligated to do so.

Our work is and will continue being to report the information that citizens need. The information they are entitled to, in order to understand the public administration's fiscal situation.

Attorney Sánchez does this country a disservice when, in a press conference in La Fortaleza, he questions the published information stating that it was incorrect and then confirms it as true, even giving the exact details of the origin of the first summarized statement of \$1.15 billion.

As mentioned, today we are establishing the existence of an additional \$395 million, which also appears in the reserve "pot".

If what their own documents say is true, then we welcome those millions because they will help to partially resolve the fiscal crisis; but, again, it is the fault of the administration not to provide, on account of transparency, the information.

If it is incorrect and the government shows that it is not, it shall be reported as such.

The lack of information and/or information selectively placed or filtered creates uncertainty, which is the last thing Puerto Rico needs right now.

We insist that transparency, clarity and the availability of public information at all times is mandatory.

That said, the lack of transparency and the act of withholding the correct information here has a first and last name, and it's not the media.

If we all know what to accept and what we can depend on, we will have a clearer future and a greater chance to act according to the real circumstances facing the country.

We hope that this situation does not convert into the “modus operandi” of the current government as was standard in the last administration.

[Treasury Department Editorial](#)

Another \$395 million in government accounts

Official information places the government reserves in banks on the island at \$1.545 billion
June 15, 2017



Photo: EL VOCERO/ARCHIVE

The argument that the government of Puerto Rico does not have sufficient economic solvency to maintain its operation and comply with their obligations at levels of requesting the protection of Title III of the Promesa law, seems to fade away.

A more detailed look at the liquidity report shows that, in addition to the \$1.150 billion in cash accounts deposited in the Island banks, the government has an additional \$395 million accumulated in the 2016-2017 fiscal year that ends on June 30, 2017.

In line 28, in a section named “contingency”, this report establishes that the latest figure is generated with the segregation of monthly sums of between \$60 million and \$70 million by the government. This is added to the \$1.150 billion reported yesterday by EL VOCERO, raising the reserve to \$1.545 billion.

The information on these accounts arises from the Treasury Department document entitled “Puerto Rico Department of the Treasury - Treasury Single Account (TSA) Cash Flow Actual-to-Forecast Comparison”, which the government had to disclose due a judicial lawsuit on access

to public information submitted by the Center for Investigative Journalism (CPI). The document dates from May 26 and includes the state's income and expense report for this fiscal year.

Reaction from creditors

For creditors, this finding does not come as a surprise since they are aware that cash flow has improved a lot. Therefore, they doubt the need to file for bankruptcy. A source in Washington, where the news has generated a much discussion, told EL VOCERO that "the exorbitant amount of liquidity reported by the government does not justify a precipitated bankruptcy being brought on the central government. With more than \$1 billion in cash, nobody seeks bankruptcy".

He also added that the manner in which this information was disclosed is evidence of the lack of transparency of government figures and the growing lack of credibility of financial markets. He clarified that the money under discussion is a fund that come by means of collections, which, he thinks, has improved consistently.

"These figures show the level of cash in existence, showing that complaints of the lack of liquidity are simply not true, since of all these monies, 98% is the General Fund," he stressed.

The president of the Bonistas del Patio, Rafael Rojo echoed this sentiment, crediting the cash deposit to the lack of payment to bondholders, taxpayers and suppliers, at a time when collections have increased.

Rojo indicated that, "this available money pays for our proposals, to be used to loosen the game in the negotiations between creditors and the government, instead of continuing to lose money in the courts. With this, the trust of the creditor who lent money to the Island would be returned and he would be willing to do it again".

Another angle on cash

Economists interviewed by EL VOCERO have another position on the cash deposited in the commercial bank. They understand that it is not about money available to be used in a discretionary way in what they believe are their priorities, but rather as funds allocated for a specific purpose.

They maintained that, although it is cash that is available in the bank, they are prevented from using it.

For the economist Nicolás Muñoz, if these monies could be used indiscriminately, both this administration and the past one could have made use of it to pay reimbursements or suppliers.

"One has to inquire a lot more, since it is a mixture of deposits, both state and federal," he explained.

For Muñoz, the federal statements included in the total of \$1.545 billion should be questioned based on lack of use. He indicated that these funds must be used during a three-month-period in

the areas or projects for which they were granted. Therefore, they should not have been kept in deposit accounts.

In a somewhat similar manner, the economist Heidi Calero expressed that she understands that this cash deposit is a combination of state funds, a result of public corporations and federal funds.

“Water, electricity, ports, etc, and the federal funds are paid from this money. They could be restricted for specific projects”.

Not ruling out

Correspondingly, the economist Elías Gutiérrez does not rule out the appearance of other surprises in light of such an enormous budget, which the government has had for decades.

“I do not rule out a huge amount of lost money since the information systems are flawed and there is no way to represent anything. “Only God knows what other surprises will be revealed,” he ended.

[GOVERNMENT](#)

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City of New York, State of New York, County of New York

I, Aurora Landman, hereby certify that the following documents are to the best of my knowledge and belief, true and accurate translations from Spanish into English:

- Los nuevos \$1,150 millones... y más
- Otros \$395 millones en cuentas del gobierno


Aurora Landman

Sworn to before me this
June 16, 2017


Signature, Notary Public

Stamp, Notary Public

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